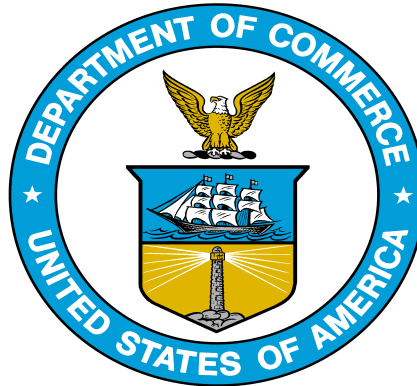


Department of Commerce Defense Cooperation



**William Denk, Director
Defense Programs Division
Office of Strategic Industries and
Economic Security
Bureau of Industry and Security**

202-482-2605 willdenk@china.def.gov

Agenda

- **Commerce Organization**
- **International Agreement
Review (IA)**
- **Security of Supply (SOS)**

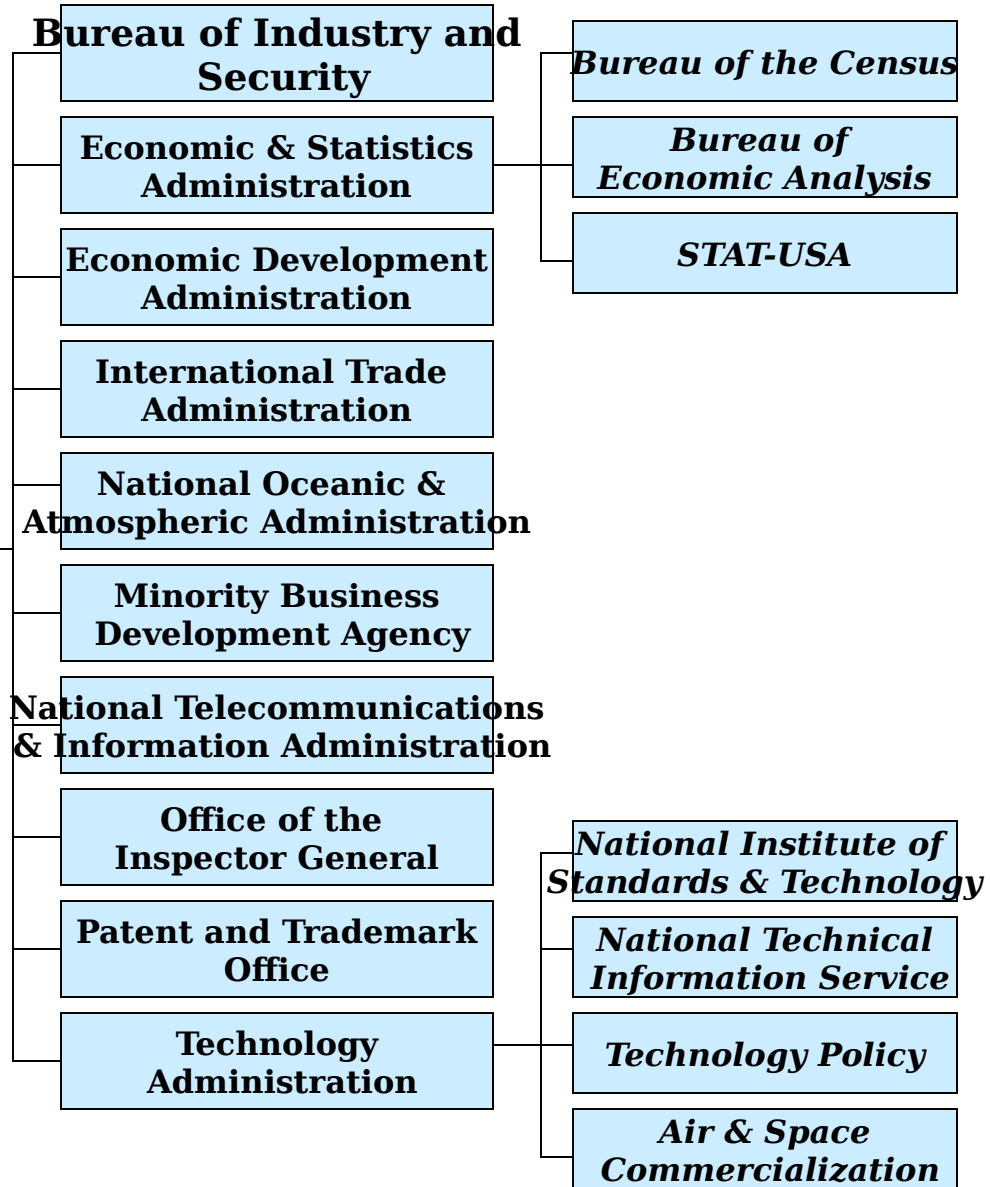


**The Department of
Commerce assembles here
the forces designed by
Congress to advance the
interests of industry and
trade. Through experimental
research, the dissemination
of knowledge and
administrative vigilance it
stimulates the progress of
America upon land and sea**

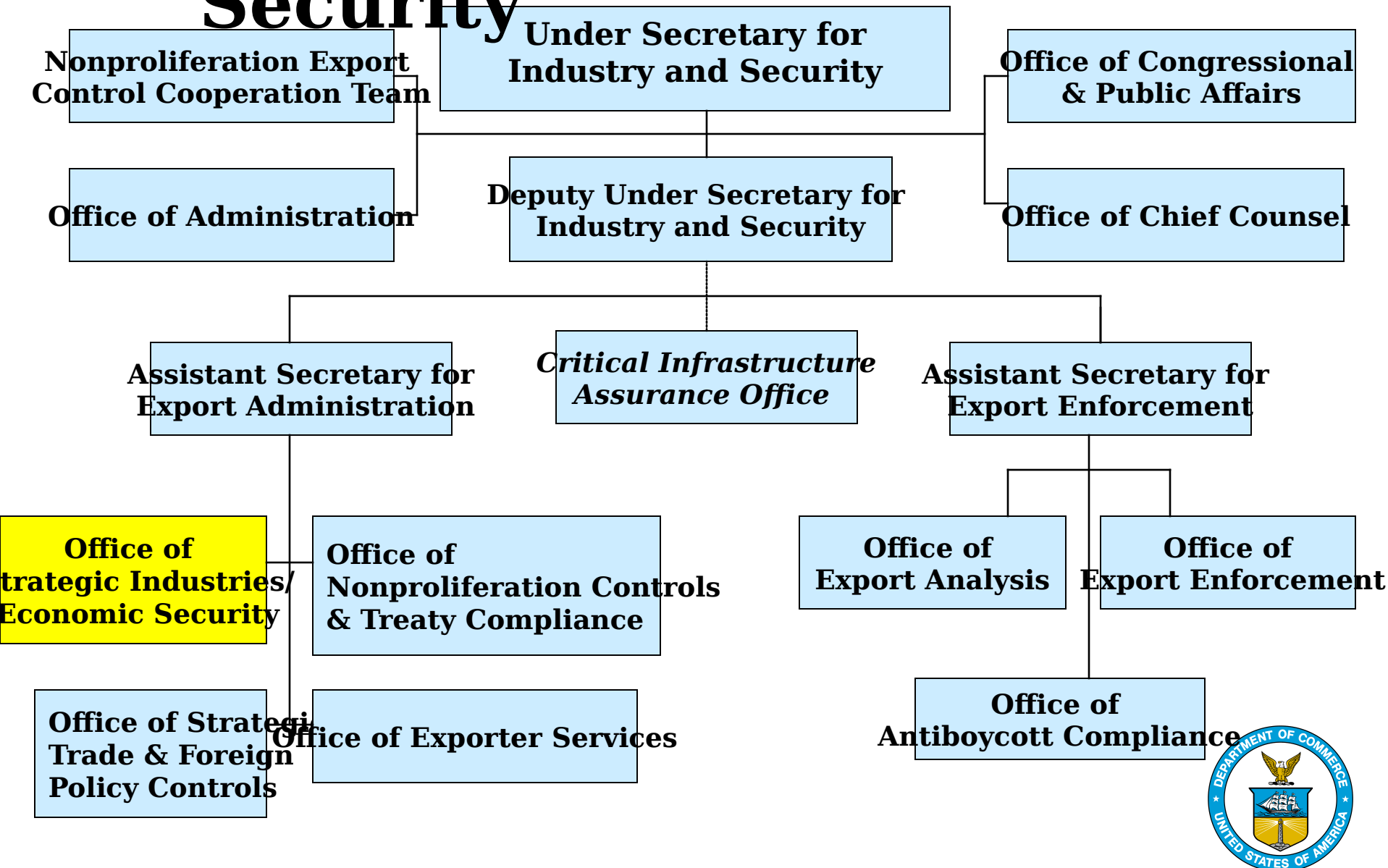


Department of Commerce

Office of the Secretary



Bureau of Industry and Security



Bureau of Industry and Security

- **Export controls on sensitive dual-use items**
- **Critical infrastructure protection**
- **International agreement/EDA reviews**
- **Defense trade advocacy**
- **Defense industrial base assessments**
- **Defense Priorities and Allocations System**



International Agreement Review



International Agreement Review

the Secretary of Defense shall regularly solicit and consider comments from the Secretary of Commerce with respect to commercial implications of such memorandum of understanding or related agreement on the international competitive position of the United States industry (10 USC Section 2531)



International Agreement Review

- **Reciprocal Bilateral Defense Trade Agreements**
- **Cooperative R&D/Security Assistance IAs**
 - **Project Agreements/ Loans/ Amendments**
- **Master Information Agreements and Annexes**
 - **New OSD guidance (Feb 2002) DODI 2015.4**



International Agreement Review

- **DOC has reviewed 1,300 proposed international agreements (IAs) since 1989 and has recommended non-concurrence on 5% of proposed IAs**
 - **IAs from DSCA and DUSD(IP)**
- **DOC assesses industrial base and economic security impacts**
 - **Open source analysis, consultation with industry**
- **DoD/DOC Process Agreement (Nov 2000)**

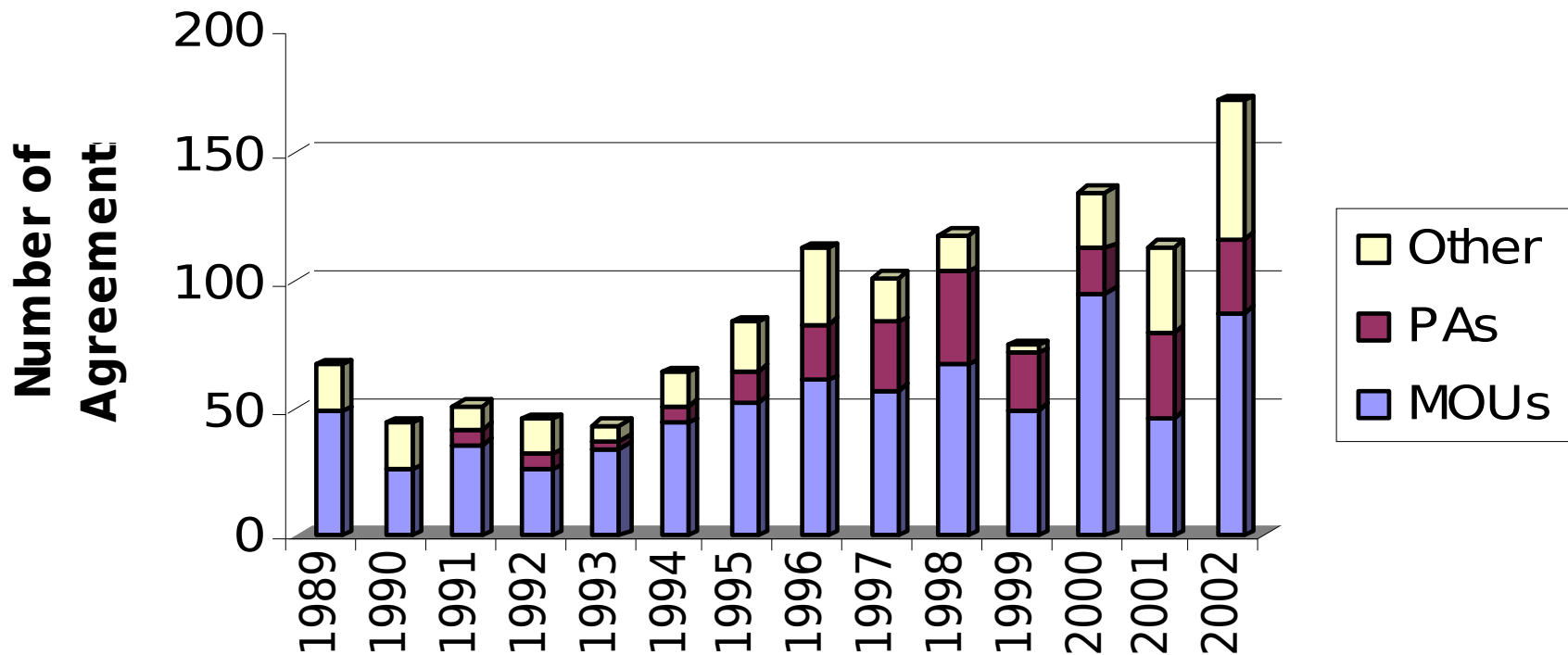


Areas of Commerce Review

- **Workshare**
- **Financial**
- **Trade**
- **Tech Transfer**
- **Tech Flowback**
- **Reciprocity**



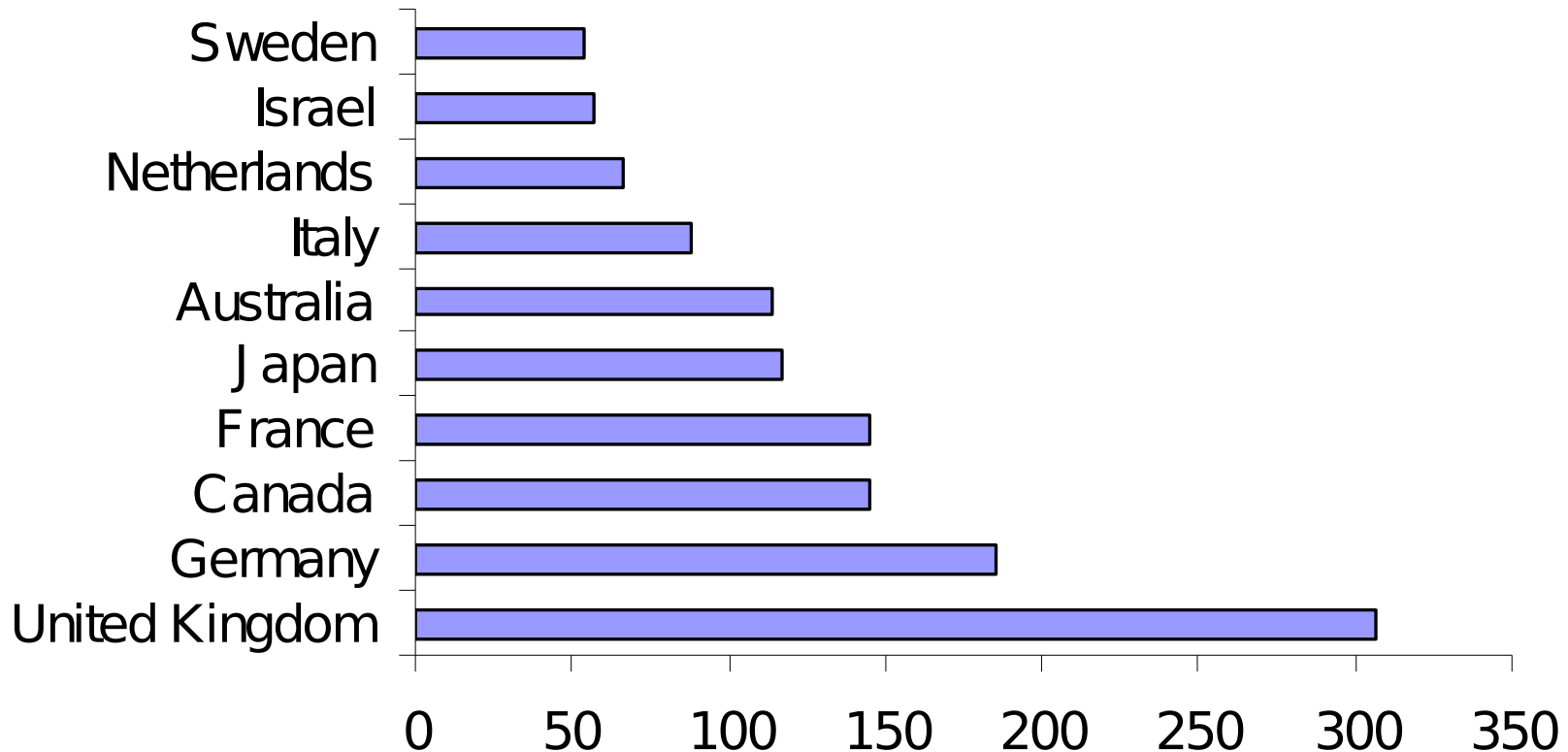
International Agreement Review



Source: DOC/BIS international agreement database



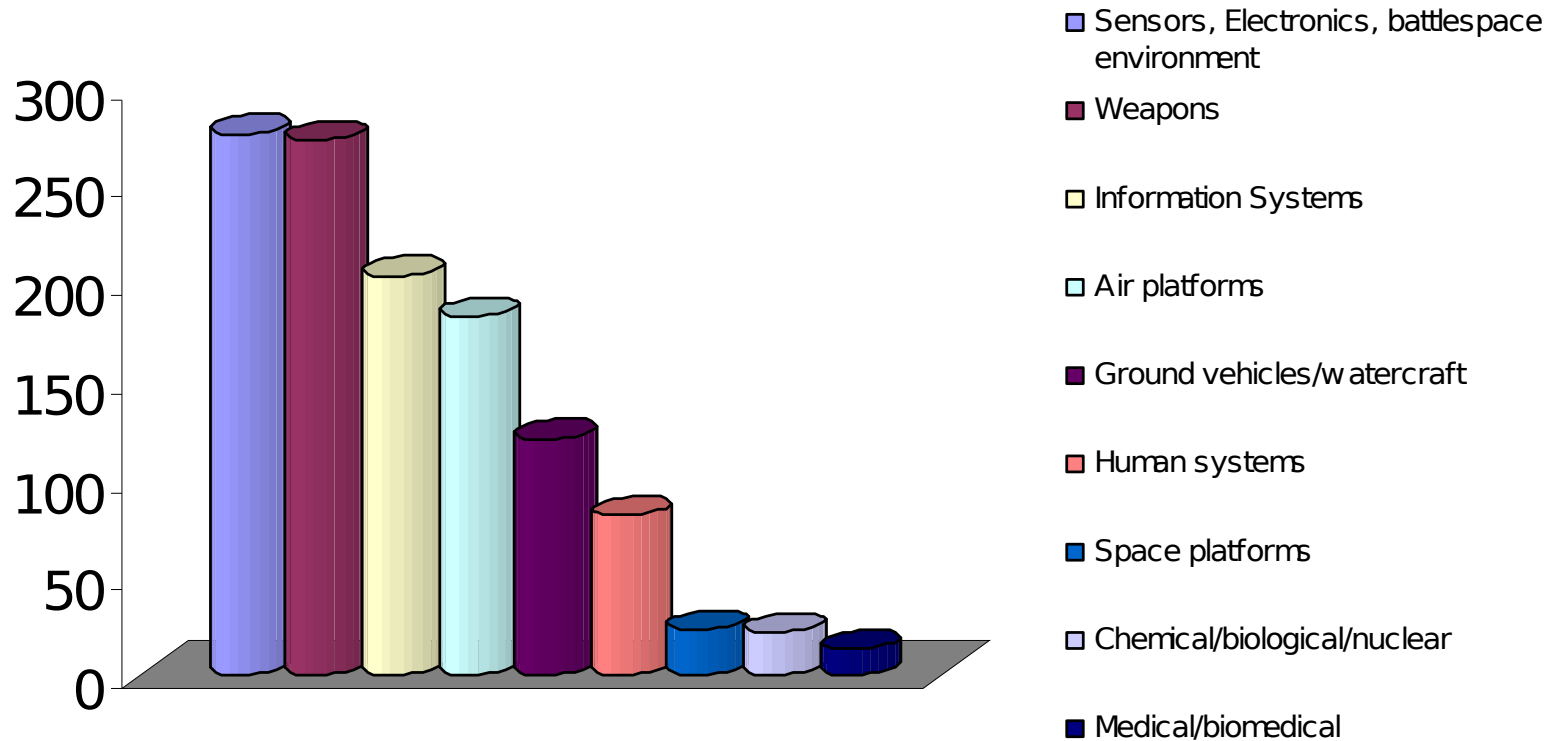
International Agreement Partners



Source: DOC/BIS international agreement database



Agreements by Technology Area (1995- Present)



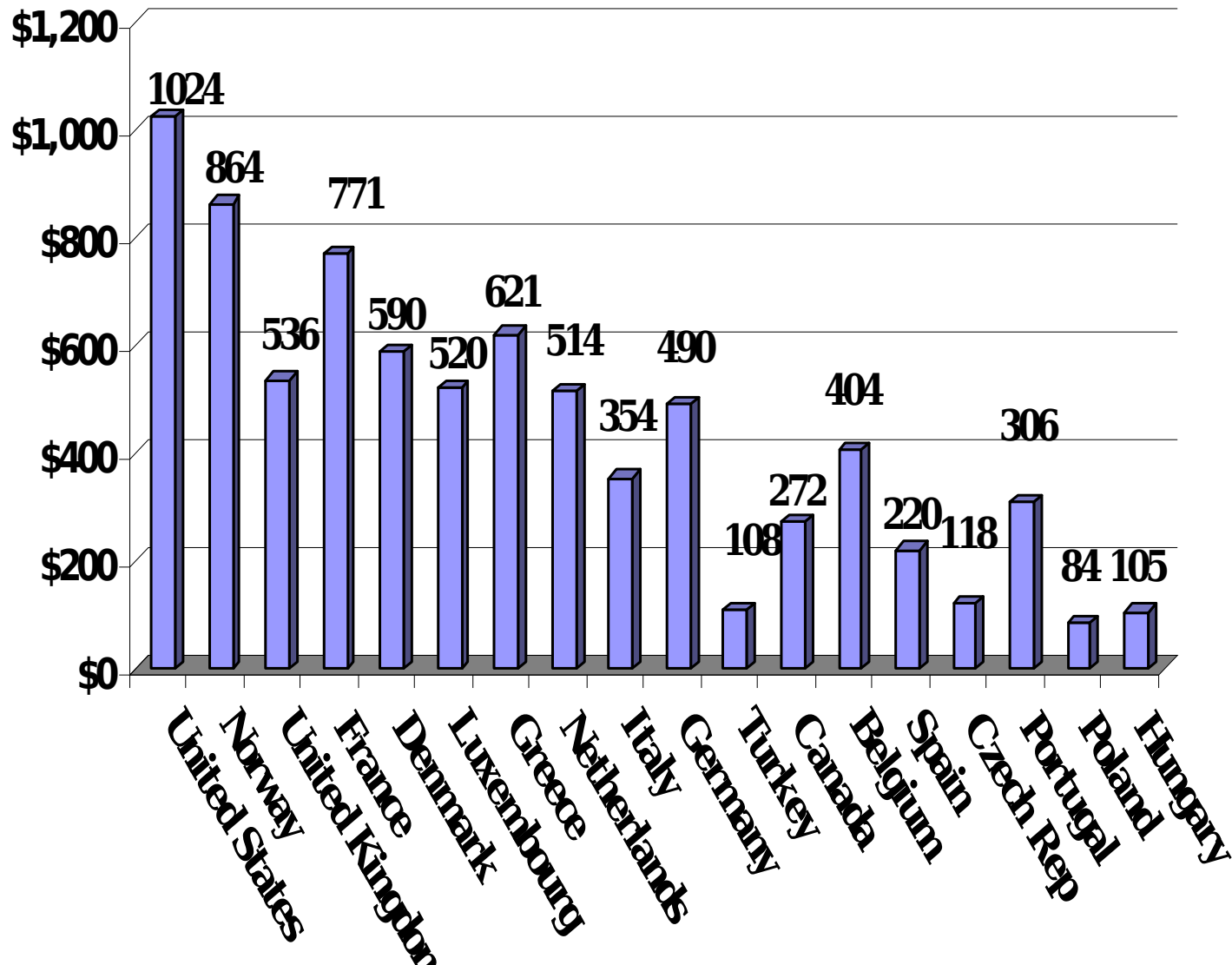
**Source: DOC/BIS international agreement database.
“Technology areas” categorized based on the 1997
Defense Technology Area Plan**



NATO Defense Expenditures Per

Official NATO Figures for 2002
Capita

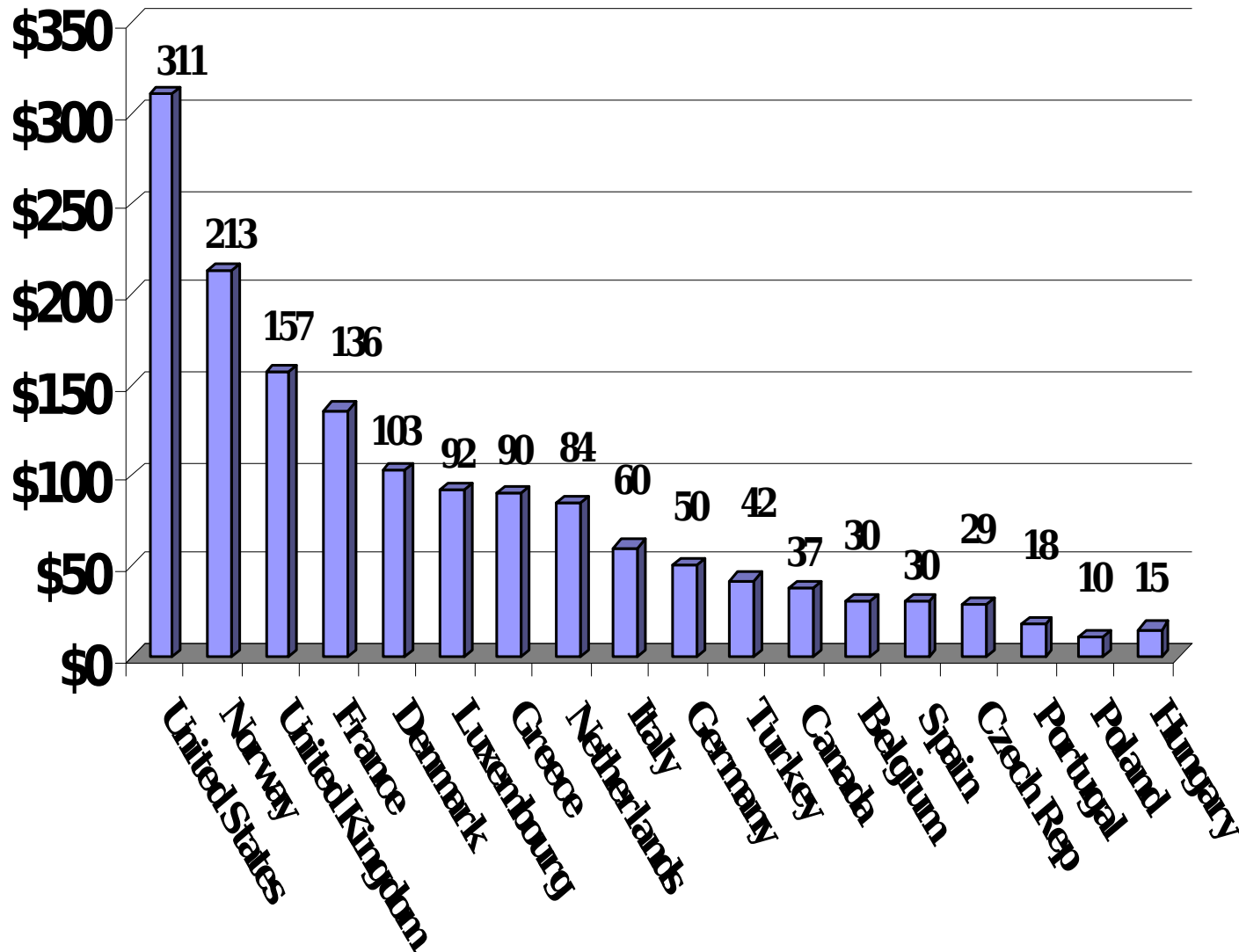
(estimated)



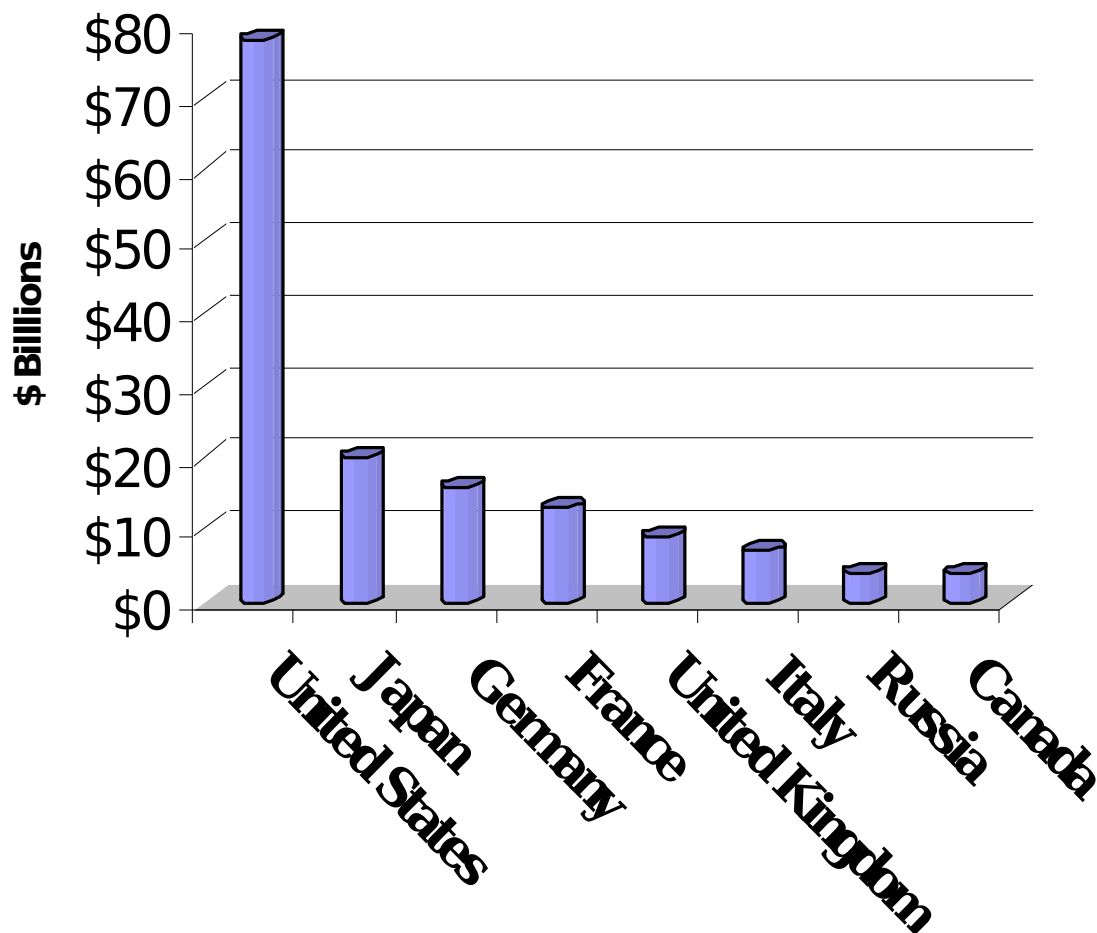
NATO Procurement Expenditures

Per Capita

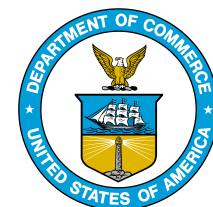
Official NATO Figures for 2002



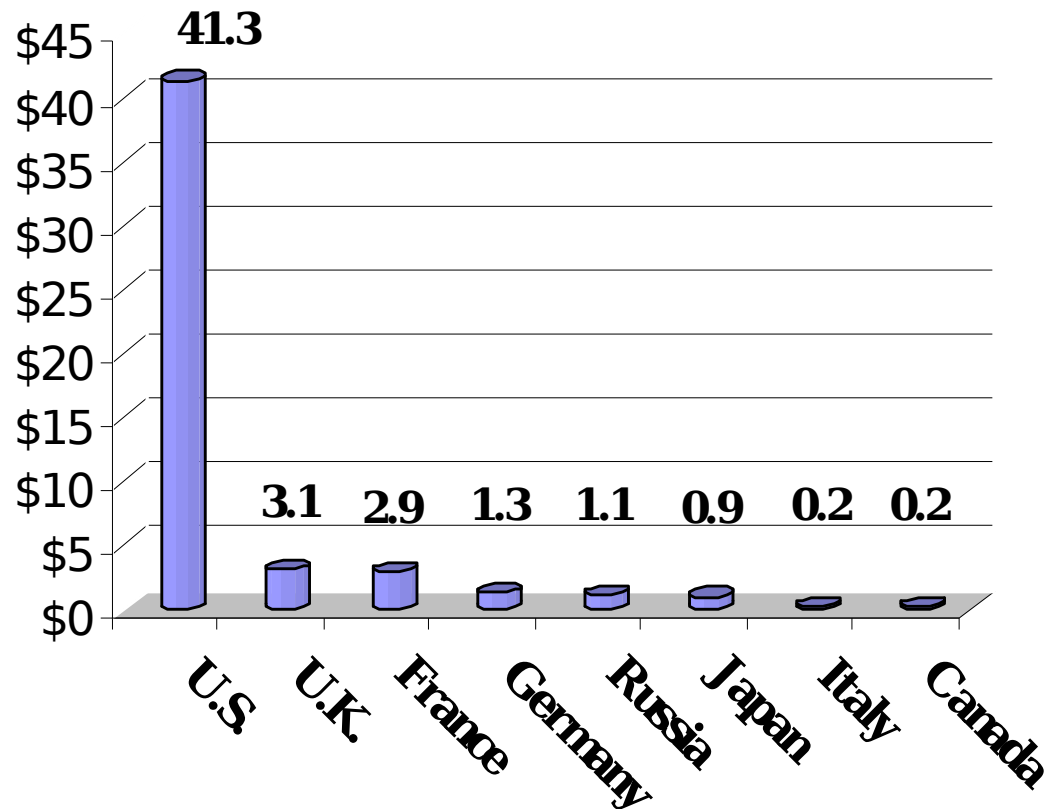
1999 Government R&D Expenditures



Source: National Science Foundation. 1998 data for Canada, Italy, and Russia.



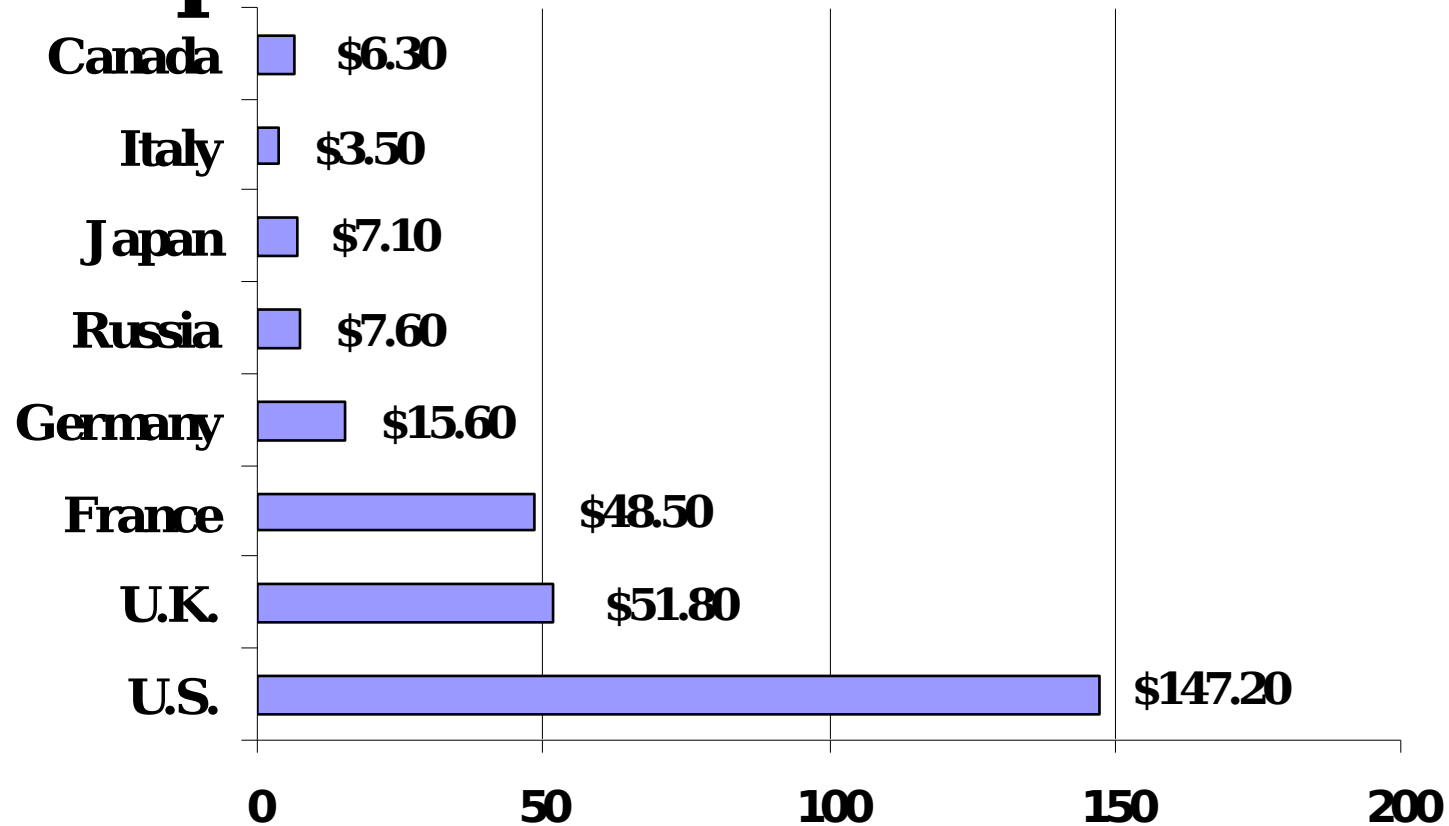
1999 Defense R&D Expenditures (\$ Billions)



Source: National Science Foundation. 1998 data for Canada, Italy, and Russia.



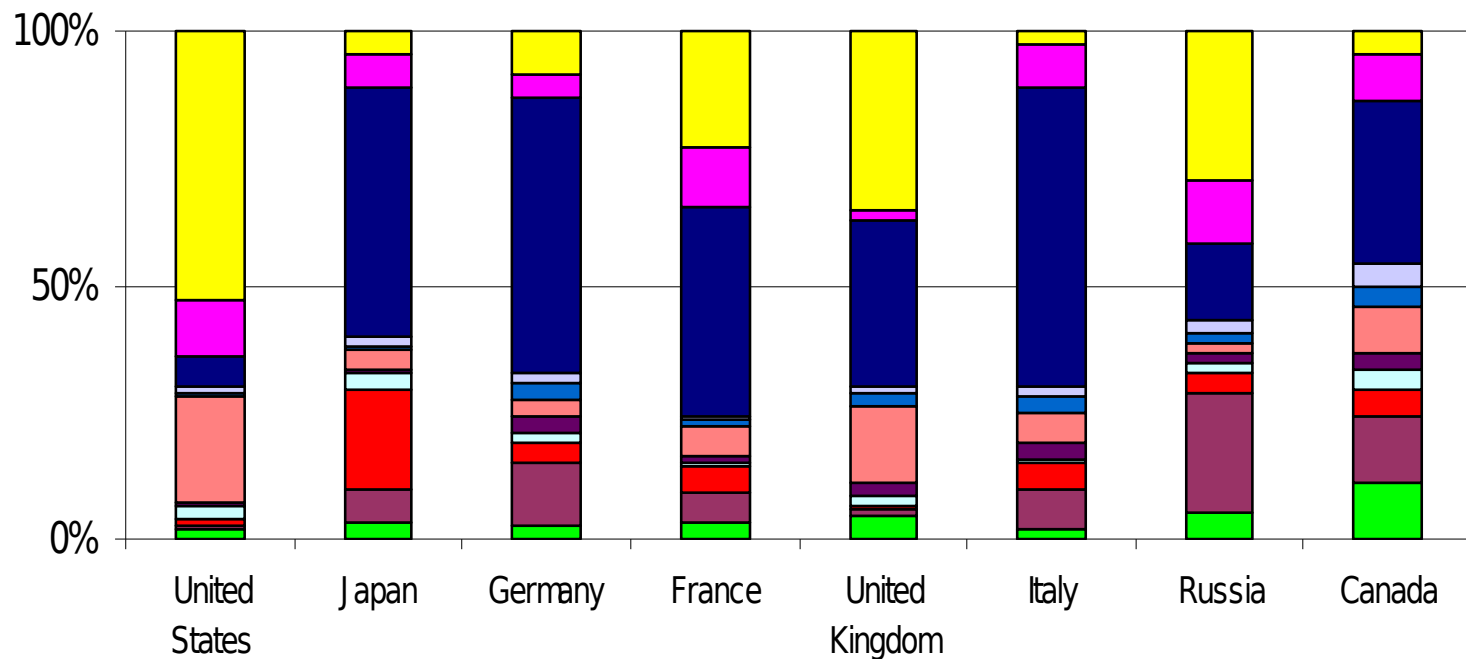
1999 Defense R&D Expenditures Per Capita



Source: National Science Foundation. 1998 data for Canada, Italy, and Russia.



1999 Government R&D Expenditures



Source: National Science Foundation. 1998 data for Canada, Italy, and Russia.



Security of Supply



Security of Supply

- **Defense Priorities and Allocations System**
- **NATO initiative for seven years**
 - **Provide government assurance of industrial production and intra-alliance supply during times of crisis**
 - **NAC approved June 26, 2002 (C-M(2002)52)**
- **Bilateral initiatives (UK, AU, NO, DE, NE)**
 - **Sweden and Italy in discussion**



Issues

- Transatlantic defense investment gap
- Merging of defense and commercial technology
- Motivation for cooperation
- Government and industry roles
- Making it equitable



Commerce among nations should be fair and equitable

Benjamin Franklin

Inscription, 15th Street Entrance

U.S. Department of Commerce

Washington, D.C.

